

**Company Name: Maytag Corporation**

**Approver: LJE**

**Requests:**

1. License and 1 year Support discount of 98% for Supply Chain Planning and Product Development Lifecycle Applications.
2. License and 1<sup>st</sup> year Support discount of 92% for E-Business Suite 2003 Bundle and Add-ons for: Marketing and Sales, Order Management and Logistics, Logistics, Procurement, Manufacturing, Maintenance Management, Service, Projects, Financial, Human Resources, and Data Librarian, Interaction Center, Customer Model, Tutor, and Self Service Tutor Applications.
3. License and 1<sup>st</sup> year Support discount of 95% for Database Products and Integration Products.
4. Wave license minimums for Supply Chain Planning applications.
5. Wave license minimums for Product Development Lifecycle applications
6. Technical Support Cap for 5 years.
7. e-Business Suite and Add-ons price hold for 2 years.

Deal Summary	
<b>Product Mix:</b>	E-Business Suite 2003 Bundle and Add-ons for: Marketing and Sales, Order Management and Logistics, Logistics, Procurement, Manufacturing, Maintenance Management, Service, Projects, Financial, Human Resources, Data Librarian, Interaction Center, Customer Model, Tutor, Self Service Tutor Applications, and Supply Chain Planning and Product Development Lifecycle. Oracle Database Enterprise Edition, Enterprise Edition Options, Enterprise Managers, Internet Application Server, Tools, Integration Products
<b>License Discount</b>	98% (ebiz + 73%) (98% SCP and PDL, 92% others)
<b>Support Discount</b>	98% (ebiz + 73%) (98% SCP and PDL, 92% others)
<b>Comp &amp; Admin Discount</b>	90%
<b>Phased Implementation for Comp &amp; Admin?</b>	See checklist below
<b>Support Options/Holds</b>	5 Year Flat Support
<b>Price Holds</b>	2 Year price hold on Contracted Line Items
<b>List License</b>	\$32,771,155
<b>List Support</b>	\$7,209,654
<b>List Comp &amp; Admin</b>	\$2,600,298
<b>Net License</b>	\$1,712,413
<b>Net Support</b>	\$376,731
<b>Net Comp &amp; Admin</b>	\$1,766,240
<b>Net Price</b>	\$3,855,385
<b>Price List Used</b>	March 24, 2003

Customer history	
<b>Existing contractual discount (price hold)</b>	N/A
<b>Date of Price List for price hold</b>	N/A
<b>When does price hold expire?</b>	N/A
<b>Price hold program categories</b>	N/A

(database, server, erp, crm, hr/payroll, app suite)	
Name of Agreement, if applicable	N/A

#### Justification:

Maytag is the brand owner of Maytag Appliances, JENN-AIR, Amana, Dynasty, Magic Chef, Hoover, Dixie-Narco, and Jade Range that markets to national chain stores, independent retail and wholesale companies, and consumers.

Maytag is evaluating Oracle, SAP, JDE, and Peoplesoft to determine a “strategic partner” to help reduce Maytag’s overall IT related costs. The current IT costs are approximately 1.2% of revenue and Maytag has a goal to reduce the percentage to .8% of revenue.

The CEO, Ralph Hake, came from Whirlpool (SAP). Hake also has detailed knowledge of Kellogg’s (Oracle CPG). The CIO, Ernest Park, comes Allied Signal (SAP and JDE), which acquired Honeywell (Oracle and PeopleSoft). Hake, CEO, and Park, CIO, agree that any of 4 vendors being evaluated (Oracle, SAP, JDE, Peoplesoft) would ultimately be able to work for Maytag, so price is the key criteria. Park has assured Hake that this project would leverage the vendor’s implementation templates. Our “coach” has indicated that the CEO would only approve of a SAP or Oracle solution. The CIO desires a “strategic partner” that offers software, hosting services, implementation services, and global support. The CIO can sign the deal after Board approval.

Our positioning has focused on the E-Business Suite (plus several add-ons), Consulting Services, Education, Support, and Oracle Outsourcing, and has evolved to “All-In-One.” Maytag has adopted Lean Manufacturing and Six Sigma are approaches and methodologies. We have positioned our Flow Manufacturing and Technology to support their “Lean-Sigma” approach.

Maytag would initially replace the existing distribution, service, and accounting platforms for a smaller business unit that does not manufacture any of the brands. Maytag would then replace the existing JBA manufacturing applications, Adexa supply chain applications, and Hyperion and Cognos reporting systems that support their brand manufacturing. Maytag would also consider replacing their Siebel call center applications and Cyborg HR applications.

Maytag will consider licensing 3500 users up-front for the right price knowing that they would implement over the next 3 years. The following items are paraphrased issues from Maytag’s CIO, Ernest Park (my comments are in bold):

1. The project has too much consulting hours and expenses compared to others, given the fact that our approach is to leverage your configuration templates and industry best practices wherever possible. **(OCS is modifying their approach and have proposed a 7560 hour project. SAP has proposed a 7000 hour project, Peoplesoft 6000 hours, and JDE 4000 hours. The Oracle Consulting rates are standard list less a 38% discount. Oracle Consulting has estimated the initial project at 878 total days or 7,024 total hours for a Total labor fee of \$1,017,422 at a margin of 40.5%.)**
2. Maytag’s expectation for your application suite licensing is no more than \$500 a seat including your add-on products. I do not know what other add-ons we would require to enable all of the client software functionality, but you should include everything you have in place today. My assumption would be that you would include all application functionality available in Enterprise Resources Planning, Customer Relationship Management, Supply Chain Management/Advanced Planning & Scheduling, Supplier Relationship Management, Product Lifecycle and Data Management, e-Procurement, Manufacturing Execution System, Marketing/Promotional Management System, Portal Solutions, Treasury Management, Export System, Activity Based Management, Product Pricing, etc. regardless of when we might implement these systems. **(Our “coach” has revealed that the Maytag CIO has acquired SAP licenses in the past for \$500 per seat while at Allied Signal and that IBM is telling the CIO saying that they can provide SAP software in a hosted environment for \$1000 a seat.)**

3. Your maintenance charge is currently at 22% of the software license, but Maytag will not pay more than 12% with a fixed cap of no more than 10% of annual increases over the first three years as it would take Maytag at least 3 years to fully deploy all of your applications.
4. Your proposal should include a provision for Maytag to spread the license payment over the next 3 years timeframe as they are deployed throughout various Maytag businesses. **(OFD can offer up to a 60 month payment schedule.)**
5. You should provide discounted consulting hourly rates by the level of their experiences as well as free/discounted training assistance. **(OCS will provide)**
6. Your proposal for the outsourcing is much higher in cost compared to other companies proposals, and you might want to re-calibrate the numbers. **(We have proposed the “At Oracle” model, but may need to position the “At Customer” model)**

**Recommendation:** *(leave blank for HQAPP to fill out)*

**Submitted By:**

R: *(leave blank for HQAPP to fill out)*

C:

L:

A:

BP:

*(Delete the section below if not applicable)*

**If Computer and Administration Services or Administration Services are being ordered please provide information below:**

Does this deal include Phased Implementation? Yes	
License minimums met at each implementation phase? Yes	
Is customer purchasing the Ebusiness Suite? If so what is the total employee population? 20,000	
Is the 20% rule met in each phase? Yes	
Is the 10% professional user rule met in each phase? Yes	
Computer and Administration or Administration Services hosting minimums met at each implementation phase? (\$6,000 monthly for C&A and \$4,000 monthly for Admin) Yes	
Standard Ordering Document Terms? No	
Standard pricing? No	
Is Customer using the Certified Configuration (applies to Admin only)? Yes	
Administration Services or Computer and Administration Services: Administrative Services	
Applications or Technology or both: Applications	
Customer email address (required): <u>epark@maytag.com</u>	
Service Implementer (required): Oracle Consulting Services	
For existing licenses - (NOTE: Validation of existing licenses and support must be obtained)	CSI Number _____ Original License Agreement _____ Original Order Entry No. _____ Date of Original License Purchase _____
Are additional users being purchased for applications that are already hosted? No	
Is this purchase of Administration Services or Computer and Administration Services by a customer who is purchasing Outsourcing for additional products which were not previously hosted? No	
Are any self-service apps for use outside the firewall being purchased? Yes	
Did customer purchase FastForward OnLine Financials RPM (5 day implementation preconfigured general ledger)? No	
Is customer purchasing an iLearning Subscription? Yes	